

For Immediate Release  
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**Contact:** Minnesota Public Utilities  
Commission  
Dan Wolf  
**Telephone:** 651.201.2217  
**Fax:** 651.297.7073  
**Web:** [www.puc.state.mn.us](http://www.puc.state.mn.us)

## **MINNESOTA PUBLIC UTILITIES COMMISSION ACTS ON CENTERPOINT ENERGY'S NATURAL GAS RATE CASE**

**St. Paul, Minnesota** - The Minnesota Public Utilities Commission ("Commission") today acted on the petition by CenterPoint Energy ("CenterPoint") for a general increase in its natural gas rates. The Commission's decisions reduce the monthly basic service charge to residential customers as well as the overall amount of the rate increase from those requested by the company and even from the amounts recommended by the Administrative Law Judge ("ALJ") assigned to the case. At the same time, the Commission approved the company's request for a significant investment to replace aging infrastructure. The Commission also adopted a pilot project designed to encourage conservation.

Initially, CenterPoint asked for an increase over existing rates of \$44.32 million, or 5.0 percent, but reduced its original request over the course of these proceedings. The ALJ filed a report on April 9 with her findings and recommendations, which reduced the rate increase to approximately \$31.64 million, or roughly 3.6%. As Commission staff processes the impact of the decisions made today, the Commission will be better able to calculate the total dollar amount approved and will communicate that information at that time.

A major factor affecting the final approved increase is the authorized return on equity. The return approved by the Commission establishes an authorized return on equity of 9.59%, as recommended by the ALJ in her report. The Department of Commerce (the "Department") concurred with the ALJ's recommendation. CenterPoint was asking the Commission to approve a rate of 10.20% (slightly under its original request of 10.30%) and the Office of the Attorney General recommended a rate of 8.73%.

Though not a guaranteed return for CenterPoint, setting a return on equity is needed in order to establish final rates. Whether the company actually earns that return depends on numerous operational and financial factors.

On another major point, the basic residential monthly service charge was set at \$9.50 as initially proposed by the Department. The ALJ had recommended a monthly charge of \$12. CenterPoint asked the Commission to approve a charge of \$15 per month and the Office of the Attorney General recommended the charge remain at the current \$8 per month.

The Commission adopted a three-year pilot project to decouple the utility's revenue from sales. The Commission will evaluate the pilot project to see if it encourages increased energy conservation and helps stabilize revenue to meet fixed costs if sales drop. The decoupling mechanism starts July 1, 2015, and customers will not see any adjustment on bills until

approximately a year later. In the meantime, the Commission directed CenterPoint to develop a customer education and information plan.

On September 23, 2013, the Commission ordered an interim rate increase of \$42.92 million, or 4.88%, that went into effect on October 1, 2013. Because the Commission's decisions authorize final revenues less than those being collected by interim rates, customers will receive a proportionate refund, with interest, once final rates go into effect.

CenterPoint filed its petition in this rate case on August 2, 2013.

Final written orders formally documenting the Commission's decisions will be issued in several weeks. Those orders will be filed in docket G008/GR-13-316, which is available on the Commission's website ([www.puc.state.mn.us](http://www.puc.state.mn.us)) via the Commission's e-Dockets system.